

# ABM Resources NL Secures Strategic Investment from Pacific Road Capital

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Perth, Australia (ABN Newswire) - [ABM Resources NL](#) (ASX:ABU) is pleased to announce that Pacific Road Resources Fund2 ("Pacific Road Capital") and ABM have agreed terms for Pacific Road Capital to invest \$19.6 million in a placement to the Company at a price of 2.4 cents per share. The placement will be in two tranches and is subject to completion of final legal due diligence and documentation. Completion of Tranche 1 is expected prior to the end of March and Tranche 2 is subject to shareholder approval.

Darren Holden, Managing Director of ABM, said, "Pacific Road Capital is a leading global private equity resources fund with a focus on growth and a long-term investment horizon. Pacific Road Capital brings significant technical expertise in development and mining to ABM and will support the Company with key board appointments and the establishment of a technical steering committee.

The injection of funds by Pacific Road Capital will enable ABM to progress Old Pirate to production, to extend the mining inventory at Old Pirate, undertake a scoping study of the nearby Buccaneer gold project and provide working capital. Importantly, this will place ABM in a strong position to further grow its interests in the final frontier for gold discovery in Australia."

## The Placement

Pacific Road Capital has completed comprehensive technical due diligence on ABM, the Old Pirate high-grade gold deposit, the Buccaneer porphyry gold project and the Company's regional exploration potential. Pacific Road Capital is investing in ABM to build a long-term and sustainable growth-focused producer.

The private placement will occur in two tranches. Tranche 1 is expected to close before 31 March 2014, and ABM will be issuing 493,938,845 new ordinary shares at 2.4 cents per share for gross proceeds of \$11.85 million. Tranche 2 will be subject to shareholder approval and will consist of the issue of 322,727,822 new ordinary shares at a price of 2.4 cents per share for gross proceeds of \$7.75 million. A notice of meeting will be filed in due course. On completion of the transaction Pacific Road Capital will hold 19.9% of shares on issue. Pacific Road Capital will be entitled to nominate one non-executive director to the board of ABM and will also supplement the ABM team with experienced mining professionals on a technical steering committee that will aid the transition to production at Old Pirate.

## Further Information on Use of Proceeds

The use of proceeds includes execution of a work program which will include an extensional and infill drilling program consisting of approximately 30,000 drill metres at the Old Pirate project. This drilling program will be carried out in April, May and June of this year and has been designed to reduce risk through grade control and infill drilling and extend known areas of mineralisation. This work will underpin resource to reserve conversion and shall be completed ahead of mine optimisation, design and scheduling. Sterilisation, geotechnical and hydrological work programs will also be undertaken at this time. Plant design work is underway, with construction and commissioning expected in Q4 2014.

In addition, a detailed metallurgical test work program (including drilling of metallurgical drill holes) will be carried out at the Buccaneer porphyry gold project (located 5 kilometres from Old Pirate) to underpin a scoping study at Buccaneer. The placement also provides ABM with capital to assess other opportunities, including exploration throughout the Central Desert, as well as providing working capital.

## Update on Gold in Circuit

As previously announced, the Company expects to have considerable gold-in-circuit build up from trial processing at Old Pirate due to the high grade and high levels of coarse gold in the ore. The mill clean-out has taken considerably longer than anticipated due to inclement weather and other factors including the time it takes to carefully upgrade gold-bearing material to concentrate. The first batch of gold-bearing concentrate

from the clean-out has been deposited to the Perth Mint and is pending outturn.

This work is ongoing and an update will be released to the market when the mill clean out is complete.

### **About Pacific Road Capital**

Pacific Road Capital provides expansion and buy-out capital for mining projects located throughout resource rich regions of the world. Pacific Road Capital comprises private equity funds managed or advised by Pacific Road Capital Management Pty Ltd. The Pacific Road team, located in Sydney, Perth, San Francisco and Vancouver, is comprised of experienced mining investment professionals that have extensive knowledge and experience in the mining sector, including considerable operating, project development, transactional and investment banking experience. For further information on Pacific Road Capital, please visit their website: [www.pacroad.com.au](http://www.pacroad.com.au).

### **About ABM Resources NL:**

ABM Resources (ASX:ABU) is an exploration Company developing several gold discoveries in the Central Desert region of the Northern Territory of Australia. The Company has a multi-tiered approach to exploration and development with a combination of high-grade potentially short-term production scenarios such as the Old Pirate high-grade gold project, large scale discoveries such as Buccaneer, and regional exploration discoveries such as the Hyperion gold project.

In addition, ABM is committed to regional exploration programs throughout its extensive holdings including the alliance with [Independence Group NL](#) at the regional Lake Mackay Project, and the recently announced proposed divestment of the North Arunta projects to Clancy Exploration Ltd.

### **Contact:**

[ABM Resources NL](#)

T: +61-8-9423-9777

F: +61-8-9423-9733

WWW: [www.abmresources.com.au](http://www.abmresources.com.au)

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